

January 12, 2007

Contact: Robin Winchell (202) 225-4031

**WASHINGTON, DC-** U.S. Rep. Charlie Melancon voted today to cut the cost of health care and improve access to medicines by requiring the Secretary of Health and Human Services to negotiate with drug companies for lower drug prices for Medicare beneficiaries. The current Medicare Prescription Drug law prohibits HHS from conducting such cost-reducing negotiations. The House passed H. R. 4, Requiring the Department of Health and Human Services to Negotiate for Lower Prescription Drug Costs, this afternoon by a vote of 255 to 170.

**"Even with the new Medicare Part D program, the cost of prescription drugs is crushing many seniors trying to get by on fixed incomes,"** Rep. Melancon said. **"Seniors shouldn't have to choose between paying their rent, buying groceries, or getting the prescription drugs they need to survive and have a decent quality of life. I believe this bill is a solid first step in improving Medicare Part D and I hope that we can work with the Senate and the President to reach a final compromise that will significantly lower prescription drug prices for seniors."**

H. R. 4 will repeal the part of the current law that prohibits the Secretary of Health and Human Services (HHS) from negotiating with drug companies for lower prices for those enrolled in Medicare drug plans. The bill would instead require the Secretary to conduct such cost-saving negotiations. In conducting these negotiations, the HHS Secretary may not restrict access to certain medicines in Medicare, for example by requiring a particular formulary (i.e., a list of covered drugs) to be used by Medicare drug plans. The bill also clarifies that Medicare Part D drug plans are permitted to obtain discounts or lower prices for covered prescription drugs below the price negotiated by the HHS Secretary. Negotiated prices will take effect starting in January 2008.

To ensure that Congress is able to closely monitor the Administration's progress in this effort, the bill requires timely updates from the Administration on its progress. Specifically, not later than June 1, 2007, and every six months thereafter, the bill requires the HHS Secretary to submit to the Committees on Ways and Means, Energy and Commerce, and Oversight and Government Reform in the House and the Committee on Finance in the Senate a report on the negotiations conducted by the Secretary and on the prices and any price discounts achieved by

the Secretary as a result of such negotiations. Rep. Melancon serves on the House Energy and Commerce Committee and will be reviewing the Secretary's progress reports.

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